

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
Before the Board of Patent Appeals and Interferences**

In re Patent Application of

UNDERSTEIN

Atty. Ref.: 2802-5 (AMK)

Serial No. 09/617,065

TC/A.U.: 3694

Filed: July 13, 2000

Examiner: D. Greene

For: WEB-BASED ACCOUNT MANAGEMENT

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June 4, 2008

Mail Stop Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

REPLY BRIEF

In reply to the Examiner's Answer dated April 4, 2008, Appellant submits this Reply Brief under 37 C.F.R. §41.41.

The Examiner's Answer maintains that locking up a portion of a credit line is the same as reserving a portion of a consumer funding account. In particular, the Examiner's Answer provides that "[t]he teachings of the credit card account are equally applicable to ANY other account that may be substituted in its place." Appellant concedes that pre-authorization of a transaction based on a credit card holder's credit line was indeed known; Appellant does not concede, however, that reserving a portion of a consumer funding account is equivalent, nor does Appellant agree that it was known to reserve a portion of a consumer funding account at the time of the present invention (at least as

early as July 2000, with priority to May 1999). The Examiner's dismissive conclusion that locking up a portion of available credit is equivalent to reserving a portion of a consumer funding account is not properly supported and is baseless as the technology and methodology for achieving those different actions are entirely distinguishable.

Differences between a deposit account and a credit line can be demonstrated from a bank's perspective. If a bank extends credit to a customer, the bank is assuming a certain calculated risk based on the customer's credit-worthiness. When a portion of the credit line is held in anticipation of a purchase, it is the bank's funds that are at risk and that provide the security for the party placing the hold. In contrast, the bank assumes NO risk when a portion of a deposit account is reserved as security for a transaction - - or in the case of the claimed invention, as a means to qualify a participant in a transaction. The funds rather belong to the customer.

Additionally, when a party reserves a portion of a credit line in anticipation of a sale, when the sale is completed, that portion of the customer's credit line remains unavailable until the customer remits funds to the card issuing company. In contrast, according to exemplary principles of the present invention, when a portion of a user's consumer funding account is reserved in order to qualify the user for a transaction, once the transaction is completed, the reserved portion is released. In exemplary embodiments of the invention, the reserved portion may be applied toward payment for the transaction, but even in this instance, the funds would be paid directly from the consumer funding account, and a future payment to a credit card issuer would not be required.

The Examiner's reference to the preambles in the claims stating that the "transaction requires a transfer of funds" is taken out of context. The transaction for which the participant is qualified by the method and system of the claimed invention indeed requires a transfer of funds, but the method and system relate primarily to qualifying the participant for the transaction, and the qualifying system does not necessarily transfer any funds.

The Examiner's Answer contends that "it is immaterial WHICH account has been disclosed specifically within Walker as the 'funding account' as the teachings would be applicable to ALL ACCOUNTS, regardless of where they are administered or what type of account they are." Appellant respectfully submits, however, that this statement is *per se* inaccurate since the claims require that the consumer funding account is administered by the qualifying system. Moreover, with reference to the comments above, Appellant submits that the Examiner's "leap of faith" conclusion that pre-authorization on a buyer's credit line is equivalent to reserving a portion of a consumer funding account is inaccurate, and the Examiner's Answer does not provide any substantive grounds to support its conclusion.

With reference to the claimed subject matter wherein the system reserves first and second portions of the account, as discussed in the Appeal Brief, Walker's reference to making a partial payment then completing payment does not meet the claimed feature of the invention wherein a first portion of the consumer funding account is reserved and a second portion of the consumer funding account is reserved. The partial payments

disclosed in the Walker patent in fact directly contrast the manner and purpose of reserving separate portions of the consumer funding account.

With regard to claim 6, the Examiner's Answer contends that the arguments in the Appeal Brief are untenable "as Walker clearly teaches that it is the central controller that manages the account and is accessible via the web." As discussed previously, however, the central controller checks buyer credit by contacting the credit card clearinghouse.

On page 14 of the Examiner's Answer, the Examiner's Answer repeats its conclusion that "[i]t makes no difference what type of account would be used as the source of funding." As noted previously, the invention does not relate to a source of funding but rather serves to qualify a participant in the transaction. Checking a buyer's credit line through a credit card clearinghouse via the card issuer is not in any manner equivalent to reserving a portion of a consumer funding account by a qualifying system through which the consumer funding account is established.

For the reasons discussed herein and in the Appeal Brief, reversal of the rejections is respectfully requested.

Respectfully submitted,

NIXON & VANDERHYE P.C.

By: /Alan M. Kagen/
 Alan M. Kagen
 Reg. No. 36,178

AMK:jls
901 North Glebe Road, 11th Floor
Arlington, VA 22203-1808
Telephone: (703) 816-4000
Facsimile: (703) 816-4100